

Testimony Supporting

S.B. 29 “An Act Concerning the Earned Income Tax Credit”

03/3/2022

Dear Senator Fonfara, Representative Scanlon, and members of the Finance, Revenue and Bonding Committee:

My name is Caroline Tanbee Smith and I am a resident of the City of New Haven.

I am testifying in support of S.B. 29 “An Act Concerning the Earned Income Tax Credit” that would permanently increase the Connecticut Earned Income Tax Credit (EITC) from 30.5% to 41.5%.

Moving forward with S.B. 29 is a practical and necessary step towards building a stronger foundation for working families and households in Connecticut. According to the 2022 Tax Incidence Report by the Department of Revenue Services, in 2019 individuals who earned less than \$44,758 effectively lost ~26% of their earnings to taxes; this is almost four times the rate paid by Connecticut’s wealthiest families. Additionally, those that earned between \$44,758 and \$74,688 paid nearly three times that of Connecticut families at the top income brackets.

The data is abundantly clear: Connecticut’s current tax system is deeply impacting working- and middle-class families for the worse. Right now, we have a real opportunity with S.B. 29 — dovetailed thoughtfully with other critical measures such as a child tax credit — to give immediate relief as well as strengthen long-term economic security for families across Connecticut. Our economic stability — which can be defined by every residents’ ability to have and maintain a job, bring home a stable and appropriate income, support their children, save for future generations, and reinvest back into local communities — is a key social determinant of health. And individuals and families that with long-term economic stability are the bedrock of thriving, activated, and innovative communities.

It is imperative for us to think about intentional, sensible, and comprehensive policies to stabilize, support, and uplift Connecticut families. For these reasons and more, I urge the committee to pass S.B. 29 “An Act Concerning the Earned Income Tax Credit”.

Sincerely,



Caroline Tanbee Smith